

TOUADWORTH

768,000

**Summary of Big Sandy Activities Project submitted to the
Federal Fiscal Year 2009
Community Development Block Grant (CDBG)
Public Facilities Competition**

#44

36

EXHIBIT *Additional*

DATE *3/12/09*

NR *645*

APPLICANT: Chouteau County, on behalf of Big Sandy Activities, Inc.

TYPE OF PROJECT: Construction of a New Facility – Day Activity Program

CDBG AMOUNT: \$ 450,000

OTHER: \$ 713,198 – RD Community Facilities - Loan
\$ 50,000 – RD Community Facilities – Grant
\$ 41,650 – Local Contribution

*> rural development
no interest
in Medicaid
no debt capacity*

PROJECT TOTAL: \$1,254,848

SUMMARY: Big Sandy Activities, Inc. (BSA) is a not-for-profit agency that provides state-mandated services and support to 21 developmentally disabled residents, each of whom suffers from one or more mental, physical, or emotional disabilities. The current Day Activity Program is located in a 3,011 square. foot structure that was originally constructed as a shop building in the early 1980's. Architects have determined that the condition of the existing facility is poor in terms of both physical condition and functionality due to:

- over-crowding or over-use;
- improper equipment;
- inadequate record keeping areas;
- lack of adequate space for physical therapy;
- lack of space for family meeting areas,
- Inadequate toilet facilities and other needs.

The proposed project includes construction of a new facility which would address:

- the mitigation of current code, functionality, program, and safety issues at the existing facility;
- site and building access improvements
- improved construction; and
- anticipated utility savings that will improve the operational cost-effectiveness of the facility.

Roy Hollensted
HD 28

*Lorrie is here
cell phone 581-7288*

TO: Representative Bill McChesney, Chairman,
General Government Joint Appropriations Subcommittee

FROM: Anthony J. Preite, Director
Montana Department of Commerce

SUBJECT: Chouteau County – Big Sandy Activities, Inc., Day Treatment
Center Funding Request

DATE: March 13, 2009

Yesterday, Lorrie Merrill, Executive Director of the Big Sandy Activities, Inc. Day Treatment Center, appeared before your committee seeking additional funds to renovate and upgrade the adult day treatment facility located in the Town of Big Sandy. You requested that our department provide additional information related to the treatment center funding request.

Last year, the Montana Community Development Block Grant (CDBG) Program received an application from Chouteau County requesting CDBG grant funds in the amount of \$450,000 to undertake substantial improvements to the Day Treatment Center necessary to maintain the facility's accreditation with the Medicaid program. This facility serves adults with profound disabilities and is sorely in need of improvements that are vital to continue to operate the facility. If the center closes, 44 full- and part-time jobs will be lost, a significant number in a town with only 703 inhabitants. The center serves several counties in the region. A summary of the proposal as submitted to CDBG is attached.

Because of a pending Medicaid reimbursement rate reduction, *this is not true* we have now been informed that Big Sandy Activities, Inc. will not have sufficient financial capacity to carry any loan. This development would effectively eliminate the opportunity to receive either loan or grant from USDA/Rural Development, which in combination with CDBG funds and a local contribution, would have been sufficient to carry out needed improvements. This leaves the project with a funding gap of \$763,198. *direct contact w/ department*

This project scored #2 out of 20 applications in the CDBG ranking completed last fall. CDBG funding is contingent on funds approved by Congress for federal fiscal year 2009. The President just signed the budget legislation Wednesday. Further information supporting this request is attached.